

Date of Hearing: April 5, 2011

ASSEMBLY COMMITTEE ON VETERANS AFFAIRS

Paul J. Cook, Chair

AB 635 (Knight) – As Introduced: February 16, 2011

SUBJECT: Veterans' benefits: public postsecondary education: mandatory educational fees.

SUMMARY: Specifically, this bill: permits the Trustees of the California State University, the Regents of the University of California, and the Board of Governors of the California Community Colleges to designate mandatory education fees as tuition for purposes of veterans' benefits.

EXISTING LAW: Existing law authorizes the governing bodies of the academic institutions to charge fees.

1) University of California: California Constitution Article IX, Section 9:

The University of California shall constitute a public trust, to be administered by the existing corporation known as "The Regents of the University of California," with full powers of organization and government, subject only to such legislative control as may be necessary to insure the security of its funds and compliance with the terms of the endowments of the university...

Regents Policy 3101: THE UNIVERSITY OF CALIFORNIA STUDENT TUITION AND FEE POLICY A Student Tuition and Fee Policy affecting Tuition and the Student Services Fee is established with the following provisions.

A. Tuition

Tuition...is a Universitywide mandatory charge assessed against each resident and nonresident registered student...

B. The Student Services Fee

... students are assessed the Student Services Fee which is a Universitywide mandatory charge.

3) State Universities:

California Education Code § 89700. (a) The trustees may by rule require all persons to pay fees, rents, deposits, and charges for services, facilities or materials provided by the trustees to such persons. The trustees may, by rule, provide for the method of collecting such fees, rents, deposits, and charges, and may, by rule, provide for the refund in whole or part of such fees, rents, deposits, and charges collected in error or collected for facilities, services, or materials not utilized.

5 California Code of Regulations § 41800. Payment of Fees.

(a) Amount Generally. Students and other persons receiving services, facilities or materials provided by the California State University shall pay fees in accordance with the schedule of fees approved by the Board of Trustees.

- 4) Under the Montgomery GI Bill and the Post 9/11 GI Bill both fees and tuition are payable as part of the educational assistance allowance:

Title 38 United States Code §3481. Educational assistance allowance

(a) General.— The Secretary shall, in accordance with the applicable provisions of this section and chapter 36 of this title, pay to each eligible veteran who is pursuing a program of education under this chapter an educational assistance allowance to meet, in part, the expenses of the veteran's subsistence, tuition, fees, supplies, books, equipment, and other educational costs.

Title 38 United States Code § 3313. Educational assistance: amount; payment

(a) Payment.— The Secretary shall pay to each individual entitled to educational assistance under this chapter who is pursuing an approved program of education (other than a program covered by subsections (e) and (f)) the amounts specified in subsection (c) to meet the expenses of such individual's subsistence, tuition, fees, and other educational costs for pursuit of such program of education.

FISCAL EFFECT: Unknown.

COMMENTS:

There are two current "GI Bill" programs administered by the U.S. Department of Veterans Affairs. The older of these two programs is known as the Montgomery GI Bill, the more recent, the Post 9/11 GI Bill. Under both versions of the GI Bill program, both tuition and fees are payable and no distinction is made between them.

Under the Montgomery GI Bill, participants receive direct payments to them of a fixed educational benefit, adjusted annually, based on a national average. Students then pay tuition and fees from the benefit they receive. They may also use the benefit to pay for housing or books.

There are a host of generous benefits under the Post 9/11 GI Bill, among these are tuition and fee payment directly to the school. The Post 9/11 program pays, "... Tuition & fees – paid directly to the school – not to exceed the maximum in-state undergraduate tuition & fees at a public Institution of Higher Learning.

The bill is permissively worded. It does not require educational institutions to change the way they designate charges as fees vs. tuition. It is unclear that the bill as worded will cause any change in institutional behavior.

Under both versions of the GI Bill, costs of education are payable without regard to whether they are designated by an academic institution as tuition or fees. The bill allows an institution to designate mandatory educational fees as tuition, however, even if the institution does so, this will not change the benefits received by GI Bill students or payable to the institution.

REGISTERED SUPPORT / OPPOSITION:

Support

AMVETS-Department of California, California State Commanders Veterans Council.

Opposition

None

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